

UNCLASSIFIED

Iraq

Status Report

September 23, 2009



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- Vice President Biden Visits Iraq (*DIPLOMATIC*, page 4).
- GOI Attempts to Curb the Illicit Antiquities Trade in Iraq (*POLITICAL*, page 6).
- The KRG Suspends DNO's Operation (*ECONOMIC*, page 11).
- Detention Center Camp Bucca Officially Closed (*SECURITY*, page 19).

DIPLOMATIC – Political Engagement



Vice President Biden visits Iraq as GOI seeks to resolve ongoing issues with its neighbors

Vice President Biden Visits Iraq:

- Vice President Biden met with a number of Iraqi officials, including Iraqi President Jalal Talabani and Prime Minister Nuri al-Maliki during his September 15-16 visit to Iraq. He also met with the President of the Kurdistan Regional Government, Massoud Barzani. The Vice President encouraged the Iraqi government to pass a national elections law so that national elections may occur in January 2010, as scheduled.

Turkey Hosts Iraqi-Syrian Meeting:

- Iraqi Foreign Minister Hoshyar Zebari and his Syrian counterpart Walid Muallem met in Istanbul, September 17, to defuse growing diplomatic tensions. Turkish Foreign Minister Ahmet Davutoglu and Arab League Secretary General Amr Mussa also attended the meeting as mediators. The meeting in Istanbul followed preparatory discussions between Iraqi and Syrian officials in Ankara September 15, that focused “on intelligence issues on a technical level,” Turkish officials stated. Turkish officials held separate talks with an Iraqi delegation prior to the meeting in Istanbul, while Syrian President Bashar al-Assad met with Turkish Prime Minister Recep Tayyip Erdogan, September 16.

DIPLOMATIC – Political Engagement



Vice President Biden visits Iraq as GOI seeks to resolve ongoing issues with its neighbors

Turkey Agrees to Release Additional Water to Iraq:

- Iraqi government spokesman Ali al-Dabbagh announced September 19 that Turkey agreed to release more water from the Euphrates River to Iraq. According to Dabbagh, Turkey will release between 450 and 500 cubic meters per second until October 20, after which the government would have to seek another deal. “There is an urgent need for water in Iraq during this period because of the crisis of agriculture,” Dabbagh stated. Turkey’s decision to release more water occurred after record amounts of rain caused deadly floods in Turkey.

POLITICAL - Governance & Legislation



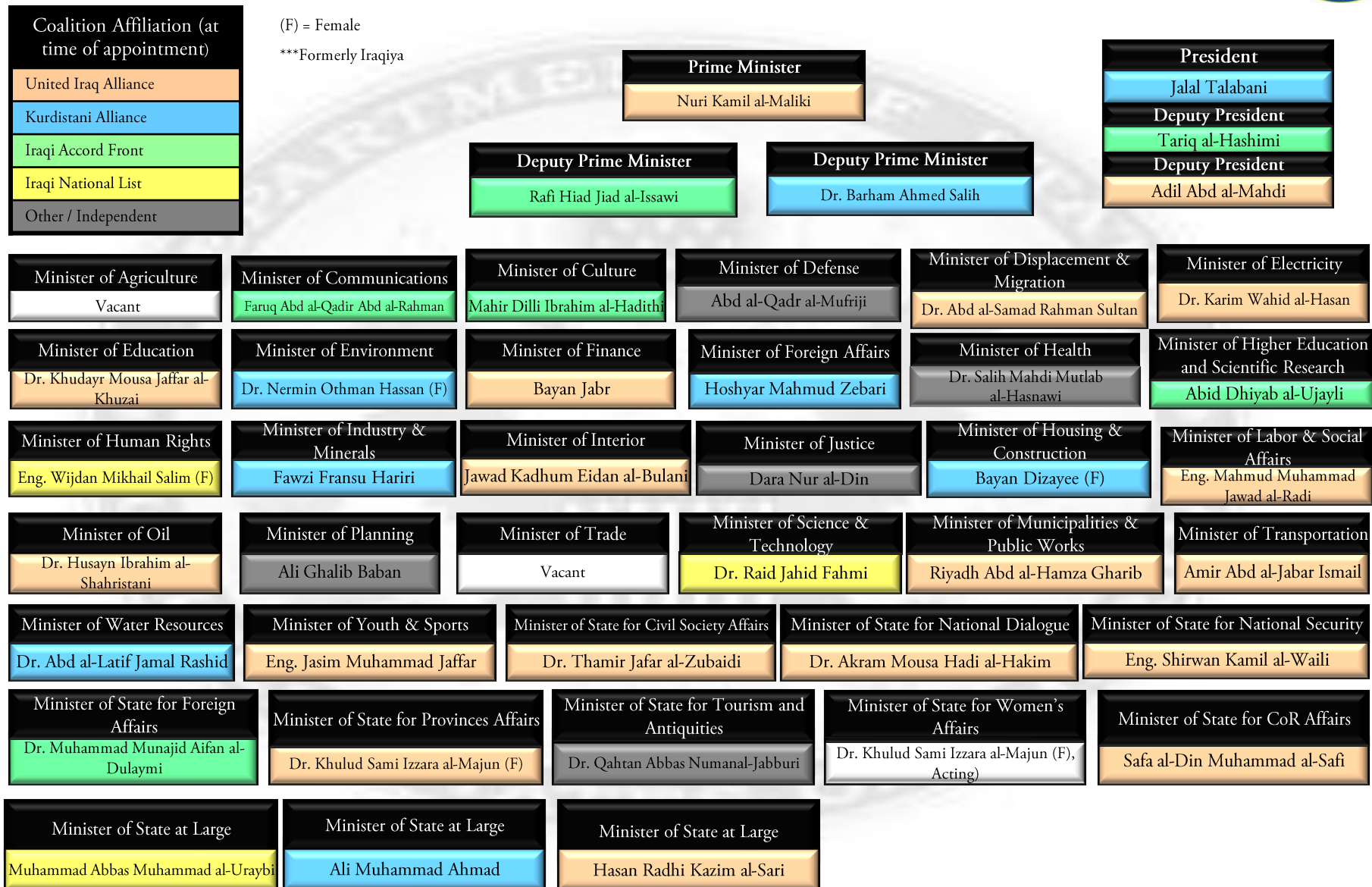
Iraqi government cracks down on the illicit antiquities trade

Iraqi Military Working to Protect Historical Heritage:

- Iraqi Major-General Abdul Ameer al-Zaidi announced that Iraqi soldiers arrested three smugglers attempting sell ancient Sumerian artifacts, including a clay bust of what is believed to be a Sumerian king. Undercover agents posing as buyers assisted authorities in developing the case. The successful investigation and arrest demonstrates the increased capabilities of the Iraqi Army not only in providing security, but also in protecting important pieces of Iraqi history.



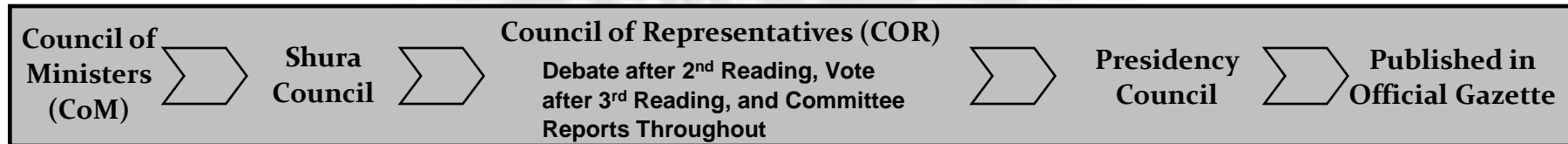
POLITICAL – Government of Iraq





POLITICAL – Key Legislative Issues

Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** A draft of a proposed national elections law is in committee but has not been finalized.

POLITICAL - Refugee Update



- **Regional governments report hosting as many as 2 million Iraqi refugees.**
- **The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.**
- **In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).**
- **Since the program's inception in FY07, 33,565 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.**
- **As of June 2009, a total of 770 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).**
- **As of June 2009, a total of 2,081 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government since FY08 (under the Section 1244 program).**
- **Secretary of State Hillary Clinton announced July 24 that the United States is contributing more than \$100 million in new assistance this year to support the return and reintegration of displaced Iraqis.**

ECONOMIC – Oil



Oil prices are rising, but exports and production remain below 2009 targets

Crude Oil Update:

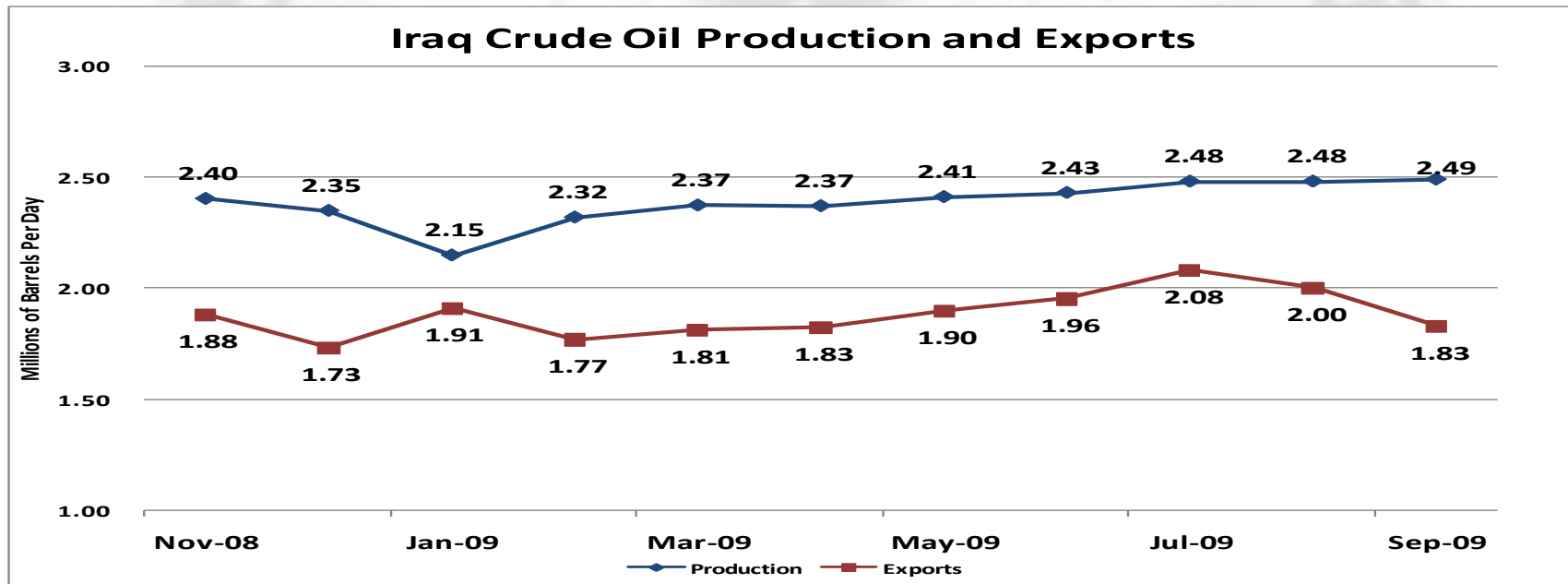
Price averages in world markets closed with the following prices:

Basrah Light at \$68.32/barrel

Dated Brent at \$69.35/barrel

WTI Cushing at \$71.36/barrel

Oman/Dubai at \$69.27/barrel



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion

2009 (ytd): \$25.08 Billion

*New revenue formula is used for 2009 that is more accurate, if lower.

ECONOMIC – Oil



Row between DNO and the Oslo Stock Exchange draws in Kurdish Minister of Natural Resources

The KRG Suspends DNO's Operation:

- The Kurdish Regional Government said in a statement released September 21 it had suspended the Norwegian company DNO International ASA's operations following a regulatory probe by the Oslo Stock Exchange (OSE). The OSE implied that KRG Minister of Natural Resources Ashti Hawrami was the middleman in the sale of 43.9 million shares of DNO to the Turkish firm Genel Enerji. According to the statement, DNO's suspension will last up to six weeks during which time it will have to "find ways to remedy ... the damage done to the KRG reputation" as well as sort out the dispute with the OSE. While investigating whether DNO had complied with public disclosure laws on the sale of its shares to Genel Enerji, the OSE released information which implied Hawrami had facilitated the deal. The KRG refuted this, stating Hawrami "acted in his official capacity as minister, and not on a personal basis as it would appear to have been irresponsibly implied in some of the information released by the Oslo Stock Exchange."

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ECONOMIC – Oil



Row between DNO and the Oslo Stock Exchange draws in Kurdish Minister of Natural Resources

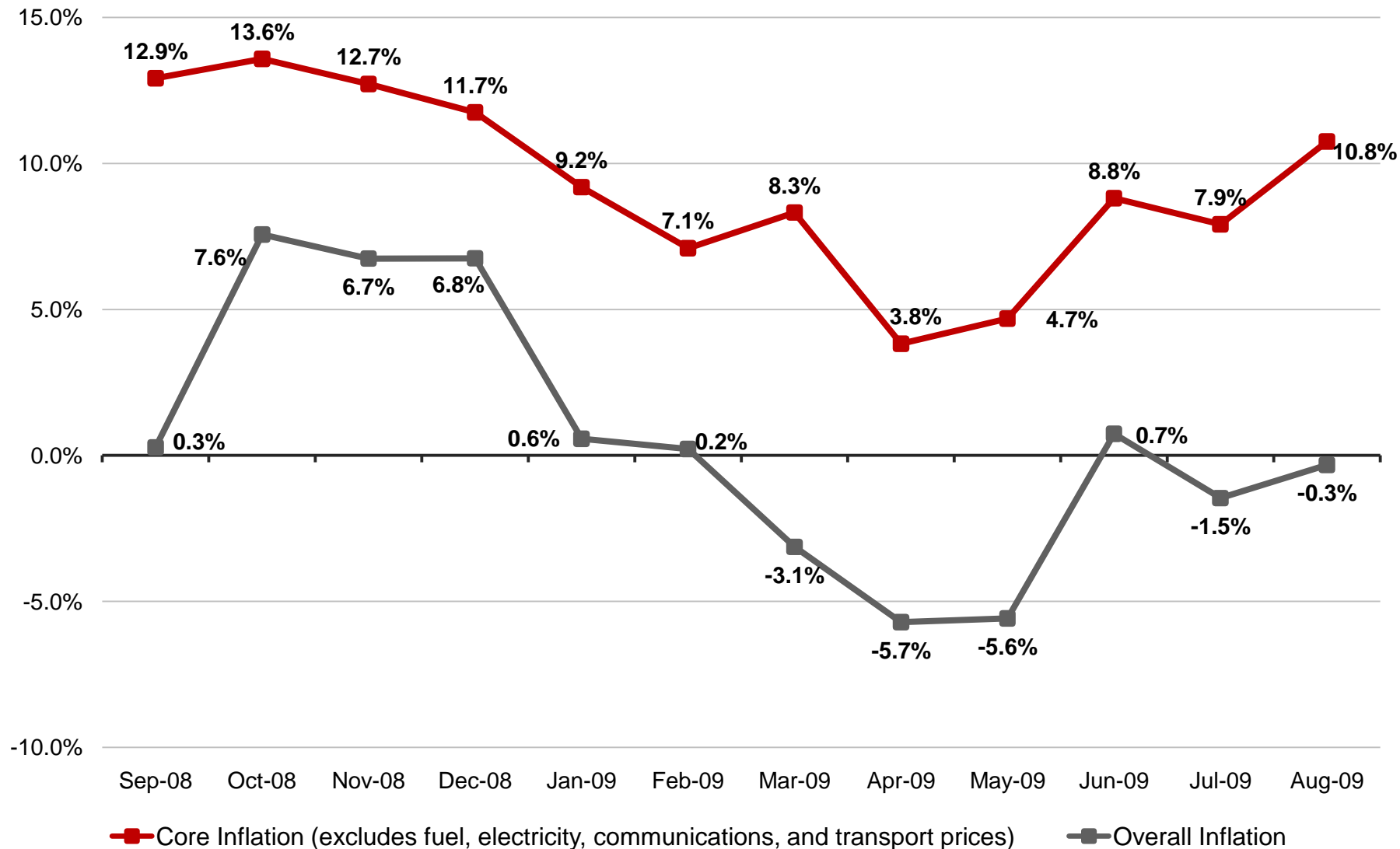
The KRG Suspends DNO's Operation (CONTINUED):

- **Hawrami claimed the OSE had targeted him “by selectively releasing such misleading information.” In its own statement, DNO said the OSE had breached its confidentiality obligations and caused damage to the firm, the KRG and the Minister, adding it was considering initiating legal actions against the OSE for damages caused by this breach of confidentiality. The OSE stated that it had a duty to release the information. If DNO does not rectify the situation to the satisfaction of the KRG within six weeks, the KRG may terminate DNO's work with or without compensation.**

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Sound economic policies will help ensure Iraq maintains security and stability

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$73.66	\$69.55	\$69.02	\$66.08
Yield	8.71%	9.29%	9.36%	10.96%

ECONOMIC – Private Sector



Iraq seeks long-term plan to manage water resources

Iraq Reviewing Plans for Strategic Water Management:

- **Director of Water Resources Oun Thiab Abdullah said September 15 Iraq is reviewing offers from three companies to create a strategic 30-year plan to manage the country's water resources. Abdullah stated that 15 companies had been invited to bid on the \$50 million project, but only three firms from England, Russia, and Italy made offers. The contracts being offered will help the government determine "how to use the limited water in the best way to confront this decrease and the environmental changes. It is a master plan for Iraq," Abdullah said. The Ministry expects to select a company in a month. .**

ECONOMIC – Public Services - Electricity



Iraq awards contracts to install turbines made by GE

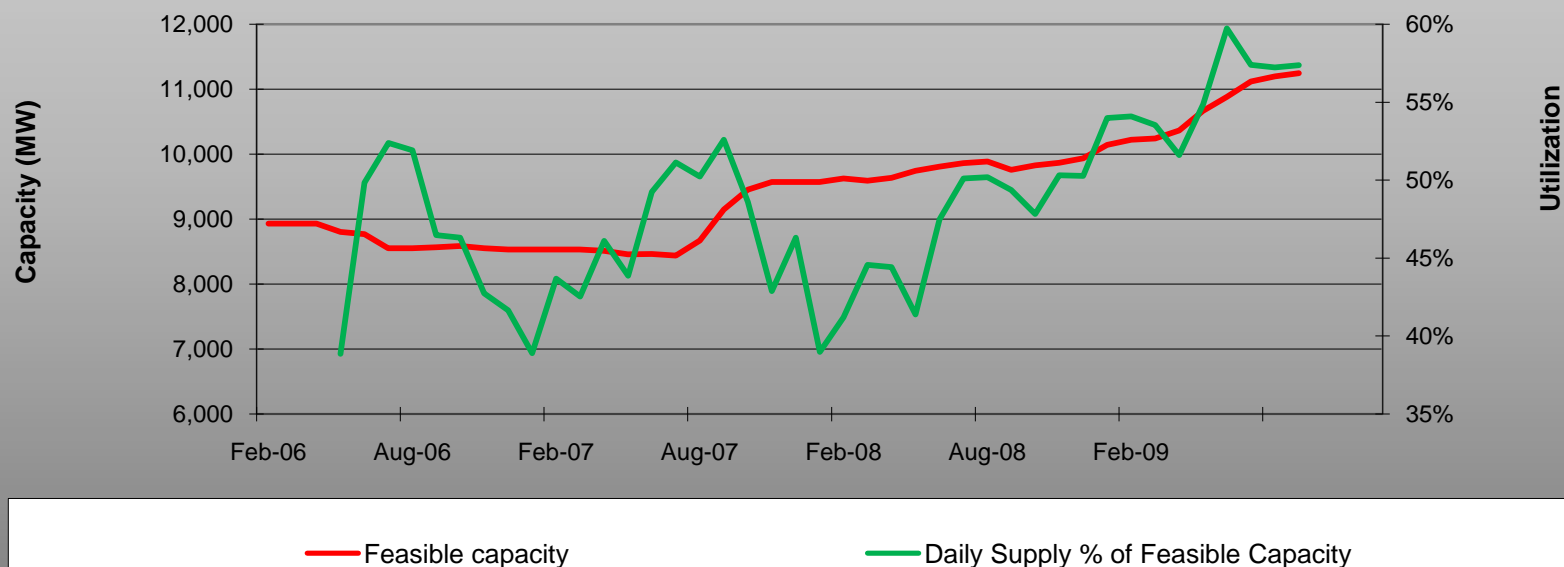
Iraq Awards Turbine Installation Contracts:

- Iraqi government spokesperson Ali al-Dabbagh said September 19 Canada's SNC-Lavalin Group Inc. and the Iraqi firm URUK Engineering Services each won an \$85 million contract to install gas turbines in local power stations. The gas turbines were purchased from General Electric. SNC-Lavalin will install turbines in Hillah and URUK will build a power plant in Taji.

Public Services – Electricity



Feasible Generation Capacity and Percentage Utilization



Due to Eid al-Fitr, supply and demand data are not available for this week. The above chart shows the factors responsible for the increase in electricity supply since September 2007: a steady increase in generating capacity through the addition of new units and rehabilitation of existing ones, and an increased utilization of the capacity that probably reflects improved operations and maintenance standards.

Beyond Baghdad



Ribbon cutting ceremony at Zaryland school in Dohuk

Najaf

Anbar

Erbil

Dhi Qar

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

The final section of the Najaf International Airport (NIA) has been completed. The PRT joined 500 officials and guests for a ceremony marking the grand opening of the new section. Also in the province, the PRT Team Leader hosted an Iftar for the 14 person Muslim Peacemakers Team (MPT), an NGO started by an Iraqi-American. A delegation leaves shortly to meet its sister-city counterparts in Minneapolis.

Anbar ePRT 3 reported that the Women's Union in the town of Hit held its first Breast Cancer Awareness conference. The conference was led by two Iraqi female doctors and focused on providing education and knowledge about breast cancer. The Union distributed brochures detailing breast health and the fundamentals of detection and testing.

The RRT Erbil Team Leader was on hand for a ribbon cutting ceremony at the opening of the Zaryland School in Dohuk. The school will serve over 1,000 children. English will be the language of instruction. The event was covered by the local media. A plaque recognizing the school as a gift from the American people is displayed above the main entrance.

The Dhi Qar PRT Governance team hosted the “Dhi Qar Women's Leadership” seminar at the Mittica Training Center. Among the participants were three provincial council members, educators, students, and representatives from women and youth oriented NGOs. Topics included leadership skills, women in politics, and women's empowerment through media.

SECURITY – Situation Transition



Camp Bucca detention facility officially closes

Detention Center Camp Bucca Officially Closed:

- Coalition Forces (CF) officially closed Camp Bucca, the largest detention center in Iraq, September 17. The last 180 detainees housed at Camp Bucca were transported early September 17 to Baghdad's Camp Cropper detention facility. Only two U.S.-run detention facilities remain in Iraq, Camp Taji, 16 miles north of Baghdad, and Camp Cropper. There are a total of 8,305 detainees remaining in CF custody.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- White House Website, September 15, http://www.whitehouse.gov/the_press_office/Vice-President-Biden-in-Iraq-to-Meet-with-Iraqi-Leaders-and-Visit-US-Troops-9/15/09/ ; Washington Post, September 17, <http://www.washingtonpost.com/wp-dyn/content/article/2009/09/16/AR2009091602998.html?hpid=moreheadlines>
- AFP, September 17, http://news.yahoo.com/s/afp/20090917/wl_mideast_afp/iraqunrestsyriaarabturkeydiplomacy_20090917123404

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- Reuters, September 19, <http://www.reuters.com/article/featuredCrisis/idUSLJ468030>

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- Reuters, September 20, <http://www.reuters.com/article/middleeastCrisis/idUSRAS023865>

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Slides 10:

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- Dow Jones Newswire, September 21, <http://www.smartmoney.com/news/on/?story=ON-20090921-000379-1915&print=1>
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- Reuters, September 19, <http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSLJ44868420090919>

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- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

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- Source for Stories: PRT Weekly Summary 6 – 12 September, 2009
- -Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/

Slide 19:

- MNF-I, September 17, http://www.mnfiraq.com/index.php?option=com_content&task=view&id=27948&Itemid=21